

**NOTE: ON JUNE 14, 2012, THIS RESOLUTION WAS REVISED TO REFLECT AN AMENDMENT THAT WAS APPROVED BY COUNCIL AT THE JUNE 7, 2012 MEETING.**

**RESOLUTION NO. 20120607-038**

**WHEREAS,** the Austin City Council is the governing body of Austin Energy, establishing rates, policies, and regulations; setting budgets; and authorizing the issuance of bond obligations on behalf of the utility; and

**WHEREAS,** approximately 50,000 of Austin Energy's more than 400,000 customers are located outside of the jurisdiction of the City of Austin and therefore do not participate in directly electing members of Austin Energy's governing body; and

**WHEREAS,** according to the American Public Power Association's (APPA) 2010 Governance Survey, 32% of utilities with more than 50,000 customers surveyed use city councils as their governing bodies; and

**WHEREAS,** other governance models, including independently elected or appointed governing boards, are used throughout the country's public power utilities; and

**WHEREAS,** according to APPA's 2010 Governance Survey, of the utilities with more than 50,000 customers that serve customers outside of municipal boundaries approximately 12% have a governing board that includes representative(s) from outside the municipality; and

**WHEREAS**, Austin residents benefit from keeping Austin Energy a municipally-owned electric utility because public power entities provide for local control of energy policy issues, maintain public participation in rate regulation, and offer financial and other advantages to the inhabitants of the region; and

**WHEREAS**, the benefits of any governance change must be in the best interest of the customer and citizen-owner to continue to meet expectations of having competitive prices; providing safe and reliable service; encouraging local input; and supporting the local community and region; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Manager is directed to study and compile a list of the various governance models of public power utilities that serve customers located outside of the regulating municipality. The study should include municipally-owned utilities from across the country with a focus on Texas-based utilities. The study should also include the scope of work of the governing body including, but not limited to, regular reporting, reviews and decision making.

The City Manager should present the models to the Electric Utility Commission no later than August 31, 2012.

**BE IT FURTHER RESOLVED:**

The Electric Utility Commission (EUC) is directed to evaluate the models presented by the City Manager, including at a minimum the impacts on local control and public participation,

effects on bond ratings, legal and municipal charter issues, and impacts on utility and regional finances.

The City Manager and the EUC should consult with former General Managers of Austin Energy, the Texas Public Power Association, the American Public Power Association, and other sources they consider appropriate to inform their understanding of the issues and enhance the analysis. The EUC may form a working group to conduct the analysis, as needed.

The EUC should report its findings and input to the City Council no later than October 31, 2012. The City Manager may also provide his findings and analysis to the City Council during this same timeframe.

**ADOPTED:** June 7, 2012 **ATTEST:**   
Shirley A. Gentry  
City Clerk